

CableFAX Daily™

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What the Industry Reads First

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Bundle Baby: A Closer Look at Verizon's New Wireless Packages

Verizon's looking to take the bundle into new waters, launching the "Flex Double Play" bundle to allow customers to get **Verizon Wireless** and Verizon broadband service (or Verizon **FIOS TV**) all on one bill. It marks the 1st time the telco is giving discounts to wireless subs who don't have landlines but order Internet and TV from the company. While Verizon is offering wireless discounts when the service is added to Internet or TV, it hasn't yet offered a significant wireless savings for a quad-play package that includes landline. "If they are smart, they can seize this window of opportunity and could get a fairly significant lead in the quad-play space, similar to what cable companies have been able to do in the triple-play market by entering early with VoIP services," **Michael Cai, Parks Associates'** dir for broadband and gaming research, told **Cfax** Tues. He predicted that Verizon would eventually add the **DirectTV** service it markets to the bundle. Why has it taken Verizon so long to offer a wireless discount? Most likely politics, as VZ would have had to work out the arrangement with Verizon Wireless partner **Vodafone**. Cable tested the quad-play waters earlier with its **Sprint Pivot** jv, which never took off and was eventually shuttered. "Those kind of arms length partnerships will never work as well as having your own internal assets," Cai said. Cable has reported little demand for a quad-play. **AT&T** announced a similar bundle discount of about \$5 for wireless subs a year ago, but Cai called it "mostly lip service," adding that Verizon seems "much more serious." Time will tell... The discounts, which range from \$8-\$15, are also noteworthy in a time when some, especially younger people, are disconnecting their landline phones in favor of wireless. Cai described it as a form of "life cycle management" to keep customers through the years. As a teenager, "you start with a wireless phone attached to a family plan," he said. "You go to college and might add a broadband line to your wireless service. Once you graduate and have a family, you add TV and maybe again get a landline for home security reasons and those kinds of things."

Deals: Rainbow has completed its \$496mln acquisition of **Sundance Channel** from **GE, NBCU, Showtime Nets** and **Robert Redford**. Expect further details on integration and personnel to come shortly.

Inside the Beltway: A Sen Commerce Committee hearing on privacy implications of online advertising slated for Wed has been postponed. A new date and time has not yet been announced. -- The latest survey from **NAB** finds that 90% of respondents are aware of the upcoming DTV transition, up from 83% in Jan.

In the States: Cox Business has become the 1st MSO to join the **SIP Forum**, which aims to advance adoption of SIP-based products and services through collaboration with entities such as **CableLabs** and **Microsoft**. Separately, Cox Business has launched its HD VOD platform in 2 Vegas properties, the new Encore at Wynn Las Vegas and condo-hotel Palms Place, which also now receives CB's cable TV and wired/wireless Internet connectivity services.

In the Courts: Klausner Tech has settled with **Apple** and **AT&T** regarding a Dec lawsuit alleging infringement of its visual voicemail patents. As the pair agreed to license the tech, founder **Judah Klasner** said in reports that similar

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discussions are ongoing with **Comcast** and **Cablevision**, which were also named in the suit.

IPTV: **NHL Net** is now offered in both HD and SD through **SES Americom's IP-Prime** delivery platform, which now counts more than 30 sports channels among its channel lineup of more than 300 nets.

Online: **Brightcove** has launched in beta a new online video platform enabling the delivery of long-form content through any Website without the need for proprietary software plug-ins, and also allows site producers the ability to deeply integrate videos with the other site content. **Fox Ent**, **Lifetime** and **Showtime** are already using the platform in beta.

Research: Nearly 135m US Internet surfers, or 71% of the country's online audience, watched an avg of 82 videos in Apr, according to **comScore Video Metrix** service, and the avg online video viewer watched 228min of content. 18-34s led the viewership with an avg of 287min/viewer. **Google** led the list of top US online properties based on videos viewed that also included **Fox Interactive**, **Viacom**, **Time Warner**, **Disney** and **ESPN**. -- More than half of venture capitalists expect to increase their investments in digital content creation over the next 2 years, according to **KPMG**, with one-quarter believing such investment will increase by more than 20% during the time period. The group was split as to whether U-G content or professional content providers would receive more of the money, while 31% said mobile apps will dominate with investments. Of mobile apps, VCs favor social networks (31%) over gaming (20%) and video (14%).

Doing Good: **Outdoor Channel** raised \$10K for **Animal Rescue New Orleans** as a result of **Cable Show** attendees' participation in the "This Land is Your Land Challenge." For every visitor who tried to reel in a bass or snag a buck on arcade games at its booth, Outdoor donated \$25 to the group. -- **C-SPAN** has selected 4 educators out of a pool of 17K for its C-SPAN Teachers Fellowship, now in its 15th year. C-SPAN's Education Foundation funds the fellowship program and partners with local cable affiliates nationwide to offer the national program to middle and high school teachers who demonstrate creative use of C-SPAN programming in their teaching.

Ratings: **TNT's NASCAR Sprint Cup** (3.9/3.77m) coverage topped cable for the 2nd consecutive week, and again was the net's only telecast ranked within the weekly top 40. Even so, it was sufficient to power TNT (1.5/1.44m) to a tie for 3rd in prime with sibling **TBS** (1.5/1.44m), which was led by 2 eps of comedy "House of Payne." Aided by the 2nd ep of new original "In Plain Sight" (3.1/2.98m), **USA** (2.0/1.95m) notched its typical top spot, followed by **Disney** (1.7/1.63m). **Nick at Nite** (1.3/1.29m) and **Fox News** (1.3/1.21m) shared the 5th position.

On the Circuit: Don't forget that **Cable's Leaders in Learning Awards** are held Wed at 6:30pm at the Library of Congress. Winners include educators who are sharing effective teaching methods worldwide via blogs and streaming videos and connecting students to their communities while raising money for orphans in South Africa. Journalist/**AmericanLife TV's Nick Clooney** hosts the evening, which includes several cable CEOs as presenters.

Silver Surfer: The 6th annual **Silverdocs AFI/Discovery Channel** Documentary Festival kicked off Mon and will run through June 23. As unabashed **Beatles** fans (well, at least *Grebb* is), we couldn't resist attending Mon night's screening of "All Together Now," an entertaining look at the saga behind creating *Cirque du Soleil's* Vegas show "Love," which is based on the Fab Four's legendary music. Talk about drama. *You* try getting *Yoko Ono's* approval of the choreography behind "Come Together." Not easy. But *Paul McCartney* sums it up best in one of the on-camera interviews, declaring

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BUSINESS & FINANCE

that, you know what?... the Beatles were a "f-ing great band." Ya think? In all, the festival includes 108 films representing 63 countries. Later this week, *Spike Lee* will be honored as this year's *Charles P. Guggenheim* award recipient.

People: Fuse added *Bob Mitchell* as vp, consumer & affiliate marketing, and *Marcelle Karp* as vp/creative dir for creative services.

-- **Turner Sports** marketing and programming promoted *Jennifer Anderson Gragg* to pres, property development and *Ben Spitalnick* to sr marketing manager, **NBA Digital**.

-- **Sony Pictures TV** promoted *Robert Oswaks* to pres, marketing.

Business/Finance: Pali's *Rich Greenfield* says it now appears the Midwest floods will only have a minimal impact on **Mediacom's** earnings, assuming that the number of homes affected does not grow substantially from the 35-40K currently being discussed in the media (*Cfax*, 6/17). Pali continues to believe **Mediacom** can exceed management's full-year EBITDA expectations. Unknown factors include higher operating costs during the flooding—though *Greenfield* notes that **MCCC's** underlying systems "appear to be holding up quite well"—and the impact the floods will have on the Iowa economy and in turn, local ad sales. -- **Time Warner Cable** has priced at \$5bln the underwritten public offering of debt securities it announced Mon.

CableFAX Daily Stockwatch

Company	06/17 Close	1-Day Ch	Company	06/17 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
ARRIS GROUP:	9.58	(0.04)	ARRIS GROUP:	9.58	(0.04)
BRITISH SKY:	41.07	(0.71)	AVID TECH:	18.62	(0.55)
DIRECTV:	27.72	(0.17)	BIGBAND:	5.32	0.03
DISNEY:	33.11	(0.54)	BLNDER TONGUE:	1.30	0.02
ECHOSTAR:	33.02	(0.9)	BROADCOM:	25.91	(0.85)
GE:	28.86	(0.11)	C-COR:	11.00	0.00
HEARST-ARGYLE:	20.74	(0.25)	CISCO:	25.97	(0.3)
ION MEDIA:	1.45	0.00	COMMSCOPE:	54.70	(1.14)
NEWS CORP:	17.85	(0.33)	CONCURRENT:	0.66	0.01
MSOS					
CABLEVISION:	25.14	(0.03)	CONVERGYS:	15.51	(0.14)
CHARTER:	1.50	0.00	CSG SYSTEMS:	11.98	(0.2)
COMCAST:	21.11	(0.17)	ECHOSTAR HOLDING:	35.37	(0.11)
COMCAST SPCL:	20.97	(0.11)	GOOGLE:	569.46	(3.35)
GCI:	7.98	(0.21)	HARMONIC:	10.24	0.08
KNOLGY:	14.00	(0.16)	JDSU:	12.32	(0.24)
LIBERTY CAPITAL:	15.30	0.23	LEVEL 3:	3.91	0.00
LIBERTY ENTERTAINMENT:	26.90	0.09	MICROSOFT:	28.80	(0.13)
LIBERTY GLOBAL:	33.39	(0.61)	MOTOROLA:	8.99	(0.13)
LIBERTY INTERACTIVE:	16.81	(0.14)	NDS:	52.18	0.27
MEDIACOM:	5.84	0.05	NORTEL:	10.21	0.25
SHAW COMM:	19.69	(0.38)	OPENTV:	1.31	(0.01)
TIME WARNER CABLE:	28.23	(0.46)	PHILIPS:	36.96	0.10
VIRGIN MEDIA:	15.36	(0.4)	RENTRAK:	13.95	(0.21)
WASH POST:	579.76	(9.53)	SEACHANGE:	7.77	(0.23)
PROGRAMMING					
CBS:	20.65	(0.21)	SONY:	49.41	0.05
CROWN:	4.43	(0.02)	SPRINT NEXTEL:	8.34	0.14
DISCOVERY:	26.20	0.44	THOMAS & BETTS:	39.22	0.46
EW SCRIPPS:	46.26	(0.19)	TIVO:	7.00	(0.23)
GRUPO TELEVISA:	23.94	(0.71)	TOLLGRADE:	5.27	(0.14)
INTERACTIVE CORP:	21.25	(0.26)	UNIVERSAL ELEC:	25.64	(0.16)
LODGENET:	6.52	(0.08)	VONAGE:	1.80	(0.03)
NEW FRONTIER:	4.00	(0.1)	WEBB SYS:	0.03	(0.01)
OUTDOOR:	7.69	(0.08)	WORLDGATE:	0.30	0.00
PLAYBOY:	5.65	(0.15)	YAHOO:	23.25	(0.29)
TIME WARNER:	15.02	(0.17)	TELCOS		
VALUEVISION:	4.26	0.11	AT&T:	35.69	(0.48)
VIACOM:	32.90	(0.53)	QWEST:	4.13	(0.06)
WWE:	15.63	(0.4)	VERIZON:	35.89	(0.35)
TECHNOLOGY					
3COM:	2.46	0.00	MARKET INDICES		
ADC:	16.88	(0.22)	DOW:	12160.30	(108.78)
ADVANTAGE:	3.08	(0.03)	NASDAQ:	2457.73	(17.05)
ALCATEL LUCENT:	7.01	0.28			
AMDOCS:	31.87	(0.1)			
AMPHENOL:	49.48	(0.08)			
APPLE:	181.43	4.59			

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'Top Ops' Issue

The Stand-out Indie Operators and MSOs

Coming July 2008

This yearly issue recognizes top cable operators who have distinguished themselves by achieving excellence in technology, operations and Involvement in the community. The issue represents and honors all the independent operators fighting on the front lines, literally rolling up their sleeves to battle rivals that typically offer more product at a lower price. It also salutes the legion of MSOs as they battle the competition in video, voice and Internet access, while also working with content partners to bring customers HD programming and serve their local communities as they address important public affairs issues.

Beyond the Award Winners

The July issue will also include the following features:

- Anatomy of a Great Programmer - Operator Relationship
- Cable Upshots: A look at the best young talent in cable
- 7 Ways to Make Money from HD
- Best Places to Work in Cable
- New trends in cable advertising
- Home Security: The Next Big Wave in Cable?
- By the Numbers (an irreverent look at what numbers say about cable)
- Predictions: Our panel of cable operators prognosticate on what cable will look like 5 years from today

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October 2008 - The Top Cable Programs

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November 2008 - Most Influential Women in Cable

Distributed at the 24th Annual WICT Gala, Washington, DC

December 2008 - CableFAX 100 Issue

Distributed at the CableFAX 100 Luncheon, New York, NY

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